

USAID West Bank/Gaza

Annual Report for FY2001

The Challenge: Since the *Al Aqsa Intifada* began in October 2000, the political, social and economic situation of Palestinians in the West Bank and Gaza has dramatically declined. The most direct consequence of the violence is the loss of life and injuries among both Palestinians and Israelis. As of March 5, 2002, 1,065 Palestinians and 313 Israelis have died as a result of the violence, and more than 18,030 Palestinians and 2,974 Israelis have suffered injuries, in many cases resulting in permanent disabilities. Equally distressing from the political perspective is the growing loss of hope and hardening of positions among both populaces, thus making more difficult the compromises necessary to reach a long-term peace agreement. The violence also forced the USAID/West Bank and Gaza mission (USAID/WBG) to reexamine the assistance program, which for the previous seven years had been based on the premise it was contributing to an on-going peace process.

The violence has also, not surprisingly, resulted in severe economic hardship to the Palestinian population, which is the intended beneficiary of the USAID/WBG program. Since the outbreak of violence in October 2000, an estimated 75,000 Palestinian jobs in Israel have been lost, affecting some 750,000 Palestinian workers and family members. Unemployment has jumped from 10 to 38 percent and the estimated number of people living below the poverty line of \$2 per person per day has increased to nearly half the population. The World Bank estimates total income losses as amounting to around \$2.4 billion, plus more than \$300 million in infrastructure damage. Losses include decreased domestic output and income, reduced labor income from Israel, damage to property and structures, costs of additional burdens on health and social services, and decreased revenue transfers from Israel.

These losses are catastrophic to an economy that enjoyed a robust growth rate of approximately seven percent per annum before October 2000. However, the hardships are not just political and economic. The Palestinian Authority (PA) has not been able to deliver basic health services let alone meet the increased demand for emergency medical supplies. Worrisome reports of hunger and reduced caloric and nutritional intake are increasing. The United Nations Relief and Works Agency (UNRWA), for example, has noted a 52 percent increase in the rate of stillbirths among refugees in the West Bank since the beginning of *Intifada*, likely due to stress and malnutrition.

President Bush highlighted one aspect of the “development challenge” on February 7, 2002 when he stated: “I am deeply concerned about the plight of the average Palestinian, the moms and dads, who are trying to raise their children, to educate their children.” The other aspect of the development challenge was contained in the vision of a Palestinian state existing side-by-side with Israel, which was articulated by President Bush at the United Nations on November 10, 2001 and by Secretary of State Powell in his speech at Louisville University on November 19, 2001. Specifically for USAID/WBG, these two challenges translate into the goals of relieving the suffering of ordinary Palestinians through appropriate “emergency” projects while maintaining a longer-term development approach.

USAID Responds: In response to the crisis facing the Palestinians, USAID/WBG has reprogrammed significant funds for emergency activities. More than \$54 million were provided for emergency purposes during FY 2001 and the Mission plans to provide an additional \$83 million during FY 2002. The emergency response projects include employment generation, micro-enterprise financial services, emergency health services, improved service delivery through non-governmental organizations (NGOs), increased support for the United Nations Relief and Works Agency (UNRWA), and expansion of small infrastructure projects. The Mission also has maintained programs that address other basic needs, most notably in the water and health

sectors, and that contribute to the longer term development of institutions (e.g., legislature, judiciary, monetary and water authorities) necessary for the functioning of the Palestinian state ultimately envisioned by the President and the Secretary of State.

Significant Results: Despite the violence and other challenges associated with the situation, the Mission has achieved meaningful results during the past 15 months, has helped avoid a more serious crisis from emerging, and has laid the basis for the advancement of important US foreign policy goals. While the Mission has altered the manner in which it does business, a strategic focus has been maintained and oversight responsibilities are uncompromised.

The Community Services Program (CSP) well exceeded expectations by improving the lives of 1.2 million Palestinians in 243 communities, over one-third of the total Palestinian population. More than 300 classrooms were either upgraded, expanded or equipped, enabling 65,000 children to go to school. Notably, the number of girls using these classrooms exceeded expectations by tenfold. Nearly 80,000 children are engaged in constructive, safe activities at the 17 youth facilities (playgrounds and sports centers) built or renovated with USAID/WBG's help. The CSP built or rehabilitated ten vocational centers and trained over 50,000 Palestinians in quality management, service delivery, and basic job skills. Also, 55 public buildings and schools were made accessible to the handicapped.

The emergency job creation component, which created more than 180,080 person days of employment in 2001, combined with similar programs of other donors and the return of 25,000 to 50,000 workers from the West Bank to jobs in Israel, had a positive impact on unemployment. Labor statistics show that unemployment rates stabilized the first three quarters of 2001. Consequently, the much anticipated, full-scale humanitarian crisis has to date been averted, although the Palestinian economy still finds itself in the midst of its most serious dislocation in 30 years. Moreover, early indications for the last quarter of 2001 show signs of further deterioration, as coping strategies wear thin in the face of continuing economic hardships, violence and insecurity.

By continuing several water infrastructure projects, USAID/WBG also has demonstrated that, with creativity and a pro-active dialogue with the Israelis, large scale construction activities are still possible. During 2001, the Mission-financed Ein Sultan water network was initiated and completed, providing running water for the 3000 Palestinians living in the refugee camp. Also, considerable progress was achieved with respect to the Mission-funded water projects in the Beit Sahour area of the Southern West Bank, which when completed in 2002 will provide an additional 20,000 cubic meters of water per day to the half million Palestinians living in this region. Equally important, through the analytic work undertaken in Gaza and an active policy dialogue with Palestinian water officials, USAID/WBG convinced the Palestinians of the dire situation facing the coastal aquifer and the need to undertake immediate actions. The commitment to rely on desalinated water for the 1.2 million people living in Gaza will not only secure their supply of drinking water, but will have historic implications for peace negotiations in the region.

Performance Considerations: Performance of our programs did not influence resource allocation nearly as much as circumstance. Still, all activities were reviewed on a regular basis and evaluated as to their prospects for achieving meaningful results under the current circumstances. As a result of these reviews, some activities were terminated (e.g., local government), others drastically cut-back (e.g., legislative strengthening) and others significantly modified (e.g., capital markets).

In response to the new operating environment, a Transition Plan was designed in FY2001 and approved in FY2002. The critical self assessment underlying the Plan led to a shift in resources to programs aimed at meeting the challenges of the growing economic and health problems. More resources were shifted to emergency health and employment-generating activities, while road, industrial estate and courthouse construction was temporarily set aside.

USAID West Bank/Gaza Strategic Objectives

Strategic Objective 1: Sustained Private Sector Economic Opportunities

Beneficiaries: The Palestinian private sector

Performance: The effects of the *Intifada* yielded devastating blows to what was a growing economy. The unrest — resulting in decreased movement of Palestinian goods and labor — has greatly decreased Palestinian exports and reminded foreign investors of the volatile nature of the Middle East region. Nonetheless, the private sector remains resilient, with those firms that survived the 1988-1993 *Intifada* best equipped to address the current challenges.

With some retooling of the portfolio, USAID/WBG helped the Palestinian private sector avoid more significant losses, take advantage of newly-emerging domestic market opportunities, diversify the mix of available financial services and prepare for the emergence of a better business climate. Not only did the program meet its targets, USAID/WBG's continued engagement throughout this period signaled to the Palestinians and the rest of the world that the U.S. sees a future for the Palestinian private sector.

Microfinance: Activities aiming to increase access to credit for micro-entrepreneurs through the two formal commercial banks and Palestinian NGOs experienced remarkable success, notwithstanding the poor environment. More than \$32 million in loans were disbursed to almost 43,000 borrowers of which 34,000 were poor women entrepreneurs. NGO lenders met targets in terms of number of loans and value. FATEN, the largest local non-profit micro-credit provider in the West Bank and Gaza, and whose creation was stimulated through USAID assistance, reported a cumulative repayment rate of 99 percent. Both commercial banks reported attaining full financial sustainability for their micro-credit activities, although the repayment rate between them differs: one bank reported a cumulative repayment rate of 77 percent due to a problem in one of the four branches implementing the micro credit activity while the other bank reported a 94 percent repayment rate.

Better Laws for Businesses: One of the main challenges to economic growth in the West Bank and Gaza is the lack of commercial laws that ensure a transparent and stable business environment, which are necessary to attract high levels of foreign investment and promote exports. In 2001, USAID/WBG supported a series of activities that assisted Palestinian businesses to adopt internationally recognized business practices in the areas of accounting and auditing, insurance, and leasing. The Mission also helped publish the first Arabic version of a book on international accounting and ethics standards.

Banking: International banking law requires that commercial banks undergo an annual review of their operations with respect to capital, assets, management, earnings and liquidity (CAMEL standards). With USAID/WBG provided technical assistance, the Palestinian Monetary Authority (PMA) successfully examined eighteen of the twenty-two commercial banks in the West Bank and Gaza, thirteen more examinations than the previous year. The PMA expects to be fully compliant with international standards in 2002.

Trade and Investment: The decreased demand for Israeli products created market opportunities for Palestinian producers. USAID/WBG assistance helped local firms to identify and exploit these opportunities, not only increasing market shares but generating employment. The Mission also helped to revamp a complete furniture product line of the Gaza wood industry for acceptance in the export market to the USA.

USAID/WBG is helping key Palestinian business associations become more self-sufficient and provide important business services that will increase their members' sales, exports, and profits. On average, Mission-assisted associations generated more than 40 percent of their annual

operating budgets through new and innovative approaches. This is ten percent higher than anticipated. By year's end, a number of associations including pharmaceutical, stone and marble, wood, agribusiness and the Palestine Standards Institute became completely self-sustaining as a result of USAID/WBG assistance.

Without a doubt the violence and the instability of the economy have left investors weary, raising questions about the timing of USAID/WBG efforts to assist the Palestine Investment Promotion Agency (PIPA). Nonetheless, far surpassing the target of \$50 million, Palestinian enterprises attracted \$162 million in new investments translating into 2,500 additional jobs and signaling to those less risk averse there are still promising opportunities worthy of consideration. The Mission's assistance helped PIPA to organize investment promotion schemes and match potential investors, both domestic and international, with Palestinian investment opportunities.

Strategic Objective 2: Greater Access to and More Effective Use of Scarce Water Resources

Beneficiaries: Palestinians throughout the West Bank and Gaza

Performance: The Middle East is abundant in a variety of natural resources, including petroleum, phosphates, and other key minerals. However, water, which is required for the economic growth, agricultural self-sufficiency, and health of the region's peoples, is in critically short supply. Palestinians living in the West Bank and Gaza are particularly affected by this shortage, consuming less than half the World Health Organization's recommended daily amount of water for drinking, hygiene, and cleaning needs. Also, Palestinian water supplies have increasingly become polluted as a result of inadequate sewage treatment and the over-pumping of wells. An effective long-term solution to the water shortage problem in the West Bank and Gaza thus requires a combination of rapid development of new water sources and a better system of water distribution and management.

Given this context, USAID/WBG has remained steadfast in implementing a multi-year program that is designed to dramatically increase the amount of available water for Palestinians in the West Bank and Gaza. In 2001, despite the challenges posed by the *Intifada* -- including shortages of critical building materials, unpredictable access to the work site, and physical danger to workers operating at the various project sites -- the Mission achieved impressive results in all areas in which the water program operated.

Gaza Water Program: In 2001, the Mission's Coastal Aquifer Management Program (CAMP) supported activities to improve the management of Gaza's water system. A computerized model of the coastal aquifer highlighted the dangers that have resulted from over-pumping and sea water intrusion, and the consequences of not taking immediate action to arrest the problem. The analysis led to a decision by the Palestinian Water Authority (PWA) to authorize a feasibility study for a large desalination plant. This decision to introduce desalination will not only secure the supply of potable water for the residents of the Gaza Strip, but will have historic implications for peace negotiations in the region. Also, during 2001, the Mission funded a study that tested the marketability of more expensive desalinated water in a community within the Gaza municipality. A monitoring system was also designed to help prevent over-pumping in the future and existing wells were rehabilitated to ensure that clean water is being extracted from them.

West Bank Water Program: In 2001, USAID/WBG financed a water distribution system for the Ein Sultan refugee camp near Jericho, bringing reliable running water to 3,000 refugees for the first time ever. All construction occurred during the period following the outbreak of violence, overcoming many logistical obstacles, but demonstrating that a well-planned infrastructure project is possible even under the current circumstances, particularly if an active dialogue is maintained with the Israeli military authorities regarding the movement of materials necessary for the project.

Also in 2001, the Mission initiated major construction activities that will add new sources of water to the previously funded southern West Bank water supply, which has already doubled the water availability to the residents of the Bethlehem and Hebron region. Among the milestones achieved in 2001 were mobilizing construction of five wells and breaking ground for two pump stations. Once the new wells are operational, the additional water will allow for the implementation of new transmission networks, which the Mission plans on funding, that supply water to more than 25 villages in the Hebron region.

USAID/WBG also is implementing a water management program designed to improve the way the West Bank aquifer is used and managed. This plan includes improvements in the way that industrial waste is disposed of, and how rural waste is collected and treated. Also, as part of this effort, the Mission is funding efforts to enhance the capacity of the PWA; during the past year, a training center was inaugurated, which to date has held six operations and maintenance training sessions per month and organized hands-on exercises for over 25 water professionals.

Strategic Objective 3: More Responsive and Accountable Governance

Beneficiaries: Nearly 100 Civil Society organizations; judges, court staff, law professors and students, lawyers and public users of the regular Palestinian court system; and the Palestinian Legislative Council and staff.

Performance: Despite or perhaps because of the on-going violence, many Palestinians continue to strive for the development of a democratic culture within the West Bank and Gaza, which recognizes basic freedoms, venues for citizen input into the decision making process, transparent democratic decision-making, and accountable government. In this context, USAID/WBG continues to respond to critical governance needs by supporting nascent government structures, especially those related to legislative bodies, the judiciary and civil society organizations representing citizen interests in public decision-making.

The Palestinian Legislative Council (PLC): USAID/WBG's technical assistance to the PLC, as well as the PLC's operations were notably hampered by the fallout from the *Intifada*. However, Council members and staff worked harder to be responsive to constituents, and committees elicited public comment on critical laws more frequently than in the past. The district offices appeared to be more responsive to increased *intifada*-related constituent demands such as employment assistance, road repairs or other infrastructure issues. Further, many district offices took advantage of newly formed partnerships with civil society organizations to co-organize a significant number of town meetings, creating other channels communication to constituents.

Rule of Law: The use of security and military courts by the PA to provide quick "trials" to defendants, often without even minimal due process, increased dramatically in 2001. Also, Israel destroyed several police facilities throughout the West Bank and Gaza, hampering the operations of the criminal justice system. Despite these developments, Palestinians recognized the work being funded by USAID/WBG as more critical than ever to future development of an efficient and independent judiciary.

Working closely with the courts and the law schools in the West Bank and Gaza, the Mission supported the installation of a case management system for civil cases in two of four pilot courts, making it easier for the courts to identify cases that are ripe for quick resolution. Also, the groundwork has been laid for two stand-alone alternative dispute resolution centers for commercial cases. Analyses of key legislation passed during 2001 pertaining to court formation and court fees were conducted in conjunction with representatives of several civil society groups. These analyses will form the basis for recommended changes in the legislation or implementing rules during 2002.

Libraries with collections of key materials were installed in the offices of The Palestinian Bar Association (PBA) and three law faculties. Training for lawyers in legal English was continuing at year's end. However, restrictions on movement made progress in all these areas slower than originally planned, and impeded efforts by all the Mission's Rule of Law counterparts to promote legal or judicial reform. The U.S. Department of Justice (DOJ) was unable to implement a planned assistance to the Palestinian Attorney General's office and line prosecutors; instead, DOJ conducted a detailed needs assessment and many of the recommendations have been added to the Mission's Rule of Law program.

Civil Society: USAID/WBG pursued a three-pronged approach to fostering democratic principles and practices in civil society organizations (CSOs). First, six well-respected CSOs received resources and technical assistance to engage in high-level policy analysis and advocacy with government ministries and regulatory bodies, and to facilitate citizen-government dialogue. Second, grants provided to smaller CSOs supported important service delivery functions, integrating practical and relevant democratic process skills. Third, capacity building assistance supported the growth of CSOs towards best practices in internal governance and financial management.

The Mission extended this approach and expanded the portfolio with a new grant solicitation that attracted more than 600 proposals. During FY2001, the 62 grants were provided to local civil society organizations to help them design activities for under-served Palestinians and to help them develop a more democratic character, creating a foundation in transparency, inclusion, participation, modern management, accountability, and democratic skills like advocacy and coalition building. Twelve membership-based civil society organizations also received support to improve their financial management systems and internal governance.

At Birzeit University, USAID/WBG assistance successfully transformed a manual cash-based accounting system to an Oracle Financial Management software system. The university is now poised to develop a long-term strategic plan and to solicit funds from a range of international donors for the diverse centers and research institutes operating under the University's auspices.

Strategic Objective 5: Increased Access to Higher Education and Training

Beneficiaries: Palestinian students, information technology professionals and universities.

Performance: USAID/WBG's higher education program overcame numerous and unexpected challenges to achieve and even exceed targets in just 16 months of operation. Border closures restricted the mobility of candidates interviewing for scholarships and delayed training for those attending courses outside the West Bank and Gaza. High levels of unemployment have discouraged some potential participants from trading job security for educational opportunities. Women candidates face cultural and social challenges in deciding whether to leave their homes and families to study in the U.S. Sadly, the events of September 11 also took its toll, tarnishing the U.S. as a safe training destination for those of Arab ethnicity, as well as complicating an already intricate visa process. The achievements of the program are due in large measure to the commitment and dedication of the high quality participants and the overall continued level of interest in U.S. higher education and training.

Long-term Scholarships: A total of 92 Palestinians are being placed or are currently studying in masters level Business, Public Administration, Law, Public Health, Information Technology and other programs at U.S. universities. This normally lengthy and labor-intensive placement process was successfully accomplished within a period of less than 18 months. Since only one student had completed his program by the end of 2001, it is too soon to measure the impact of this program on Palestinian development.

As a result of September 11 and the renewed American public interest in the Middle East, many

of the Palestinians who have received scholarships have become resources on their campuses and in the community for a better understanding of Islam, the West Bank and Gaza, and the Middle East in general. Some have spoken at or participated in inter-faith outreach events on campus, at local churches or at Jewish Student Associations. One legal scholar recently founded an Islamic Legal Forum at The American University's Law School, and another will be an unpaid intern at the American-Arab Anti-Discrimination Committee in Washington, D.C. this spring. Scholars have commented on their appreciation for the opportunity to interact with U.S. counterparts beyond the classroom, to be exposed to the American values of tolerance and open-mindedness, and to be perceived as positive representatives of the West Bank and Gaza.

University Linkages: The linkage between Arab American University in Jenin (AAUJ) and Utah State University (USU) represents an especially remarkable example of what can be accomplished even in difficult on the ground circumstances. AAUJ's public opening occurred on September 28, 2000, two days before the outbreak of violence. In contrast to other universities in the West Bank and Gaza, AAUJ remained open throughout the year, and only a few classes were cancelled. USU's on-site presence of administrators and faculty provided AAUJ with a cadre of seasoned personnel and reflected USU's institutional commitment to help develop AAUJ's administrative systems and introduce courses on food safety, nutrition, and agriculture.

Seven other university linkage activities were initiated in 2000 and will continue until 2003. Through these partnerships, local institutions will strengthen their capacity to meet needs in key sectors such as water resources management, democracy and governance, and health. The difficult political climate has prevented some partners from achieving planned activities on schedule since many U.S. partners were unable to travel to the West Bank and Gaza. However, other partners were able to continue their activities (research, training for Palestinian partners, curricula and faculty development, and site visits), and have revised and adapted planned activities accordingly to enable them to continue their partnerships effectively. Some of the more active linkages include: the Calvin College/Birzeit University project, which is developing a plan of the Wadi al-Far'a Basin's water supply for use by the Palestinian population of the West Bank; the Johns Hopkins/Al Quds University project to improve health services management and administration through curriculum development, skill and practice enhancement, and operations research; and the Purdue/Islamic University of Gaza (IUG) linkage to address the water resource management needs of the region by establishing a jointly administered program in Water Resource Management at the IUG.

Strategic Objective 7: Healthier Palestinian Families

Beneficiaries: Women, youth, and children are the primary beneficiaries along with health care providers and thousands of victims of violence.

Performance: The most serious health problems facing mothers and children in the West Bank and Gaza derive from high fertility with short birth intervals, along with weaknesses in clinical and outreach services. Rates of premature births and low-birth weight babies are high. Nutritional problems among mothers and children, notably anemia, continue to escalate. Less than 50 percent of pregnant mothers receive adequate antenatal care and only 18 percent of mothers receive postpartum care. The dramatic increase in medical emergencies and psychological trauma resulting from the on-going conflict greatly stress an already fragile health care system, posing major impediments to the health of women and children and the economic development and social stability of the Palestinian people.

Grappling with enormous immediate humanitarian needs while laying the groundwork for long-term sustainable improvements in maternal and child health and nutrition required shifts in budgetary allocations as well as programmatic focus. In 2001, the USAID/WBG health program increased from \$4 million to \$50 million, becoming, on a per capita basis, the largest USAID health program worldwide. USAID/WBG is now the largest donor in the health sector, providing

77 percent of the health care related assistance to the Palestinians. In addition, the Mission has become an intellectual leader by implementing cutting-edge interventions to address immediate and long-term effects of the crisis and coordinating donor partners to avoid duplication and overlap.

USAID/WBG's response to the emergency health care needs resulting from the conflict has been swift and widespread. Soon after the outbreak of violence, the Mission initiated a rapid emergency response program, which procured and distributed medical equipment and supplies such as oxygen extractors, portable incubators and fetal monitors, and trained 1032 physicians, nurses and community health care workers in emergency medical practices. Under the Mission's first emergency response activity, the Mission provided \$230,000 to connect three primary health care clinics to the electrical grid allowing the clinics to provide desperately needed emergency care. The Mission also funded the upgrades of village clinics to offer better quality care since border closures prohibited Palestinians from reaching better equipped facilities. Lastly in this category, the Mission awarded a grant for a psycho-social health program, which will support the rehabilitation programs of eight Palestinian NGOs and also will provide their staff with appropriate training.

The Mission's Pilot Health Project (PHP) concluded most activities during 2001. The PHP linked two US PVOs with five Palestinian NGOs, who together upgraded 25 primary health care clinics in under-served areas of the West Bank and Gaza, trained approximately 60 trainers and providers on antenatal and postpartum care, and developed a health information database to be used by the 25 clinics. Several research studies also were funded under the project. According to a recently completed evaluation, the PHP succeeded in changing behavior and attitude among health care professionals and clients toward infectious diseases, postpartum care, and patient privacy, but fell short in establishing protocols and competencies and the collection and analysis of data for the database. These latter issues will be the focus of follow-on activities.

Despite on-going violence and numerous logistical impediments, USAID/WBG launched, on schedule, a new five-year women's and children's health and nutrition program. The solicitation and awards in this fiscal year lay the basis for significant results in the coming years. The Mission expects the project will support the renovation of approximately 100 village and community-based health clinics as well as six referral centers; and the training of health care providers in state of the art maternal and child health and nutrition practices, contraceptive counseling and technologies.

Strategic Objective 8: Improved Community Services

Beneficiaries: 1.2 million Palestinians in 243 under-served communities.

Performance: The gap between the supply and demand for basic community services and infrastructure has been growing for some time, and the overall inadequacy of services represents a seriously destabilizing influence in the West Bank and Gaza. Not surprisingly, the gap has widened considerably since the onset of the *Intifada* in October 2000. USAID/WBG's Community Services Program helps reduce the gap, thereby enhancing institutional stability and ensuring the availability of services from more moderate members of society. The Mission's CSP targets under-served, high-priority geographic areas: to improve physical and economic infrastructure; to enhance local government services; to strengthen local-level institutional capacity for increased participatory governance; to improve service provision and job skills through training; and to generate emergency employment. Moreover, to enhance sustainability, all Community Services Program activities are implemented in partnership with community groups, local contractors and NGOs.

The Community Services Program well exceeded most targets in helping Palestinians achieve better lives under enormously difficult circumstances. By December 2001, just fifteen months after the start of the *Intifada*, the program was working in 243 communities and had reached approximately 1.2 million beneficiaries in the West Bank and Gaza, one third of the Palestinian population. Some of the most impressive results include:

- Approximately 311 classrooms were upgraded/expanded/equipped. While the number of students with access to new or improved school facilities nearly doubled mission targets (64,665), female access exceeded expectations more than tenfold.
- About 100 kilometers of agricultural roads were built, mostly over rough terrain.
- Water systems accommodating an additional supply of over 1,000,000 cubic meters were built or rehabilitated delivering potable water to more than double the number of households initially targeted.
- Clinics and other health facilities benefiting nearly 200,000 people were built or rehabilitated.
- Ten vocational centers were built or rehabilitated and over 50,000 Palestinians have been trained in quality management, service delivery, and basic job skills. The number of female trainees more than quadrupled expectations.
- 55 public buildings and schools were made accessible to the handicapped.
- Many local council staffs were trained to manage better scarce public resources.

The kind of services reflected in these accomplishments have brought jobs, better government services, and improved lives to the Palestinians throughout the West Bank and Gaza, thus enhancing prospects for regional stability.

The most important expansion of the Community Services Program activities during 2001 was the launching of the Emergency Employment Generation Program, which responded to the economic decline resulting from border closures and restricted access to jobs and markets. In July 2001, the Mission provided \$13 million to four US PVOs which, in partnership with local NGOs, create labor intensive short-term jobs that develop and improve Palestinian social and economic infrastructure and social services. Already 184,080 person days of temporary employment have been created, exceeding program expectations by 50 percent. At the same time, the number of long-term jobs created also exceeded expectations, suggesting that short-term emergency response programs can also retain longer-term development content.

Among the more dramatic achievements under this program is the establishment of the Wadi Gaza Nature Park. The first phase of the program was completed in 2001, and entailed a complete clean-up of the Wadi, involving the removal of 40,000 plus tons of solid waste and the creation of 17,000 person days of employment. The second phase will involve the building of foot-bridges and hiking trails, rehabilitation of archeological sites and the construction of a recreational park for use by children in the neighboring villages.